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House of Representatives

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let us pray using the words of Psalm 40:

Blessed is man who makes the Lord his trust, who does not turn to the proud, to those who go astray after false gods. Thou hast multiplied O Lord my God, Thy wondrous deeds and Thy thoughts toward us; none can compare with Thee. Were I to proclaim and tell all of them, they would be more than can be numbered. But may all who seek Thee rejoice and be glad in Thee; may those who love Thy salvation say continually, ''Great is the Lord.''

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Missouri [Mr. SKELTON] come forward and lead the House in the Pledge of Allegiance.

Mr. SKELTON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

SPECIAL ORDERS

THE FUTURE OF THE U.S. MILITARY

The SPEAKER pro tempore (Mr. YOUNG of Florida). Under the Speaker's announced policy of January 7, 1997, the gentleman from Missouri [Mr. SKELTON] is recognized for 60 minutes as the designee of the minority leader.

Mr. SKELTON. Mr. Speaker, Gen. George Patton, as vigorous a proponent of advanced military technology as ever served in the U.S. Armed Forces, once said, ''Wars may be fought with weapons, but they are won by people.''

Today, in the last of three speeches I am making on the future of the U.S. military, I want to talk about the most important resource that the Nation has in protecting its security: Our people, the men and women who serve in the Armed Forces and the civilians who support them.

As I have emphasized in each of my previous speeches, under the Constitution it is Congress' responsibility to ensure that U.S. forces are able to carry out their duties. Article 1, section 8 of the Constitution gives Congress the power to raise and support armies; to provide and maintain a Navy; and to make rules for the Government and regulation of the land and naval forces.

Unfortunately, Congress has not always fulfilled its responsibility to provide for the common defense. Too often in the past, indeed perhaps most often in this century, the United States has been unprepared for the military challenges it has faced. As George C. Marshall lamented in a 1923 speech that I quoted earlier, immediately following a war, Congress and the public remember the terrible price paid by young Americans at the start of a war for which we were unprepared. But very soon thereafter, under the weight of the public debt, the costs of war are forgotten and military strength is allowed to erode.

In earlier speeches, I discussed military strategy and defense budgets. In those statements, I said, first, that the strategy which appears to be emerging from the Quadrennial Defense Review or QDR that is now underway in the Pentagon appears to be correct and appropriately broad and demanding.

I said, second, however, that the resources that the QDR anticipates to be available appear inadequate to support the strategy. I am concerned especially that the QDR will require reductions in active duty troop levels, and I do not feel that any reductions are warranted in view of the demands on the force. I am even more concerned that this round of force cuts will be followed by a perpetual cycle of budget shortfalls and additional cuts in the future, unless defense budgets grow modestly over time.

Those are critically important issues, in large part because of how they bear on the matters I will discuss today. An ambitious strategy accompanied by inadequate resources is a prescription for placing tremendous strain on the people who serve. As it has been said, all of the money for defense that Congress may provide, all of the weapons that the services may buy, all of the logistics infrastructure that may undergird the force, all of the military doctrine that strategists may pronounce, all of the campaign plans that commanders may devise, all of these things ultimately come down to a single soldier walking on point.

It is also true, as a corollary, that the men and women who serve in the Armed Forces deserve material and moral support sufficient to allow them to do what we ask of them. In peacetime, however, we most often forget the costs of war and neglect to pay the price of peace. Sometimes I worry that this tendency to forget those who wear the uniform is inherent in a democratic society.

The famous British poet Rudyard Kipling wrote a poem entitled ''Tommy,'' about the treatment of soldiers in time of peace. It is written from the point of view of a British infantryman dressed in his red coat who was refused a pint of beer in a public house, and he complains:

''For It's Tommy this, an' Tommy that, an'
'Chuck him out, the brute!'
But it's 'Savior of 'is country'

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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When the guns begin to shoot.''

Like the British public a century ago, we Americans, too, have loudly cheered the troops coming home from war, only to turn away from these troops when the garlands of victory are no longer fresh. Remember the yellow ribbons that were so prominent during the Persian Gulf crisis in 1990 and 1991? Recall the welcome home parade for our victorious troops? I fear that those moments of pride and glory are no longer in the consciousness of most Americans or of this Congress.

Today, I want to focus our attention on the men and women who serve, but I want to do it with some care. In assessing how we treat our people, I am torn between two strong feelings. On the one hand, I am concerned that the pressures we are putting on servicemembers and on DOD civilians are growing to the breaking point. On the other hand, I do not want to discourage those who are willing to serve either from joining their Armed Forces or from staying in. On the contrary, and all I will say, I hope to encourage those who are willing and able to serve their country.

The fact that we are now at peace and that no single great enemy threatens us does not mean that military service is any less necessary or any less to be valued than in the past. On the contrary, the burden of maintaining the peace lies on the shoulders of those who serve, and it is no less critical a mission than any soldier, sailor, marine, or airman has ever had before.

So though I am going to discuss at length all of the problems that those who serve may encounter, I do not want to dishearten the patriotic people that the mission of defense requires.

Mr. Speaker, one of the things that most impressed me and many others about former Secretary of Defense Perry was his focus on people. When he first became Secretary, one of the things he did most was to travel to military bases around the country, indeed, all around the world, and talk to the servicepeople he met there; management by walking around, he called it.

As a result of this walking around was the persistent emphasis he put on improving the quality of life in the military. For those of us who had known William Perry for many years to be a hardware expert, his focus on people was an unexpected side of his character that was greatly welcomed.

The value of Secretary Perry's focus on people was, above all, the message that it sent to the troops. I can tell the Members that it was noticed throughout the military and did much to prevent an unbridgeable rift from opening between the civilian leaders of the Clinton administration and the men and women in the Armed Forces.

The example of Secretary Perry's focus on people is one that those of us in policymaking positions should take to heart. The U.S. military is a complex human culture, and its human dimensions must always be considered in making choices on strategy, budgets, programs, social rules, and regulations, or any other aspect of policy.

In retrospect, therefore, I believe it was a mistake that the Quadrennial Defense Review did not include a separate panel on people. As many of my colleagues are aware, the work of the QDR has been carried out by six panels on strategy, force structure, modernization, readiness, infrastructure, and a late addition, intelligence, with an integration panel linking it all together.

As I have been thinking recently about the issues that the QDR is addressing, so many of them, it seems to me, come down to people. Many people issues are integral to the work of the QDR's six panels. What stresses and strains are put on people by the strategy, given the force structure available to implement it? How does the quality of life in the military affect readiness to carry out missions?

☐ 1215

How does military training, education and leadership development affect the military's ability to exploit new technology effectively? How will reductions in the defense infrastructure affect the morale of people in the services and of the civilians who support them?

All of the QDR panels, therefore, will touch on people to some extent, but not as an explicit focus of attention. Moreover, many critically important people issues may not be addressed at all in the QDR. Do the people in the military have a clear sense of the manner in which the jobs they do contribute to the common defense? How are all the changes in the society as a whole affecting the military, changes that include increasing opportunities for women, the growing proportion of two-earner households, the problems of sexual harassment, the dynamics of race relations? Is there, as many fear, a growing gap between the culture of the U.S. military and of that civilian society, and how will this affect public support for national security and the willingness of many people to serve?

The Quadrennial Defense Review will probably not address these questions; and yet, in the end, such matters have as much to do with national security as the size of the budget or the quality of new weapons technology. So in this speech, I want us to focus on the people who protect our national security and to raise some questions which I think need to be considered as Congress evaluates the forthcoming Quadrennial Defense Review.

Above all, Mr. Speaker, I am concerned that if pressures on U.S. military forces do not ease, then the military will begin to lose many of its best and brightest people. Those I have talked to in the services most often cite three reasons why good people leave the force: First, because the operational tempo is too high; second, because of concerns about their families; and, third, because of uncertainty about the future.

In the remainder of this speech, I will address each of these concerns. Certainly, the most immediate people issue on the agenda is how current demands in the force are affecting the troops. Two years ago, Lt. Gen. Ted Stroup, the Assistant Army Chief of Staff for Personnel, was asked what it was like for soldiers who served in an Army that was then composed of 520,000 active duty personnel. Soldiers, he said, were ''stretched and stressed'' by all the demands being put on them. He was asked what the effect would be when the numbers dropped to 495,000, as was then planned. He answered, ''stretched and stressed all the more.''

Recently, however, the Department of Defense has proposed reducing the size of the Army to 475,000, which the Army has resisted. Meanwhile, the actual strength of the Army has eroded to about 490,000, even though the official end-strength target required by current law remains at 495,000. It is widely reported that the QDR will reduce Army end-strength by 15,000 or more. So Army people will be stretched and stressed even more. At what point does all this stretching and stressing reach the breaking point?

Each of the other services has to face the same issues. Recently a senior Navy official testified at length before the Committee on National Security about the difficulty the Navy has had keeping forces on station as much as it had planned. In large part, this is because the Navy, to its credit, rightly tries to limit overseas deployment to 6 months and puts other constraints on the amount of time units may be away from home. In the same testimony, however, the official had to defend the decision to reduce the Navy's end-strength by 11,000 in order to find money for equipment maintenance.

The two issues cannot be separated. As end-strength declines, you can either increase personnel deployment times, which is damaging to your people and which the Navy has correctly refused to do, or you can reduce deployments, which means you are not fully supporting the military strategy.

In the other services, and in the Army especially, the ability to limit deployments is not as great. Requirements for Army personnel are driven by overseas duty tours and by the increasing number of military operations, which are not as easy to limit as the number of ship days on station. As a result, too many people in the Army are being stretched and stressed individually by the demands of military operations.

For those of us who spent any amount of time out talking to people in uniform, this message comes across very loudly. I spent the Thanksgiving weekend last year on a trip to visit United States troops in Aviano, Italy, Bosnia, and Hungary. In Hungary, I spent some time with soldiers from

Missouri, and I recall asking each of them how many military deployments they had been involved in during recent enlistment periods. Several had two deployments, a few had three, and one sergeant had five deployments.

Every time I visit the troops, I hear similar stories. As a result, I have been thinking about the extent of the problem, its causes and its solutions. I am convinced, first of all, that the extent of the problem is not adequately identified by current measures. As I said, the Navy has in place a set of rigid limits on unit deployments abroad. Even in the Navy, however, the pace of deployment for individual personnel is not directly measured and limited. In other services, there is no systematic, effective way to measure the extent of individual deployments. So we really do not know how much stress we are putting on individuals in uniform.

One of the things the QDR should have considered, therefore, is how to measure the strain put on individuals in the uniformed services and means of controlling it. I have recently seen a draft list from the Air Force of some things we should be measuring. It includes:

How many people have temporary duty assignments of less than 90 days a year, 90 to 120 days, or over 120 days a year? If too many people are being deployed away from home on a constant basis, that is a sure sign of an excessive operating tempo.

What is the average duty week for people on their assignments? 40 to 45 hours a week; 45 to 55; or over 55? Some jobs require long hours, but if the trend over the whole force is up over time, that is also a cause for stress.

How many aircraft crews receive waivers of training hour requirements? If the trend is up, then too many people are being asked to do too many other things besides their primary jobs.

How many major exercises are people engaged in, on average, per year?

How many people are delayed in meeting training qualification requirements for position upgrades?

What share of enlisted personnel are pursuing college degrees and what share of officers are pursuing advanced degrees? What share of each disenroll from course work? A decline in the number of people pursuing advanced education is a good measure of stress on the force.

How many people have accrued leave exceeding 60 days?

How many fathers have missed a child's birth due to a temporary duty assignment? How many have been assigned to duty away within 30 days of a child's birth?

The list goes on, and I could add to it. I am convinced, just by talking to people, that measures such as these will show a dramatic increase in the tempo of work in all of the services. Unless we get a handle on the degree of strain we are putting on the force, and do some things to control it, then we are heading for real trouble in retaining good people.

What are the causes of such apparent problems? To me, the root cause is a tendency to underestimate how much is required to carry out military operations while still preparing adequately for full scale war. After all, it is the military's main mission to fight and win America's wars. In the past, the military services did not worry very much about the impact that smaller scale military operations would have on the force, first, because the cold war era force was relatively large, so a small deployment was not felt, and, second, because smaller military operations were relatively rare. That is the main reason why measures of stress on the force are inadequate.

Now the force is smaller, and military operations have become more frequent and also, often, of very long duration. One calculation in this year's Army Posture Statement is striking. Over the 40 years from 1950 through 1989, the Army was engaged in 10 deployments. In the 7 years between 1990 and 1996, the Army was engaged in 25 deployments. Meanwhile, the size of the Army has declined by a third and the budget has dropped by 39 percent.

Les Aspin's bottom-up review of 1993 did not come to grips with the impact of a larger number of operations on a smaller force. The bottom-up review simply assumed that a force designed to fight 2 major regional conflicts would be large and diverse enough to handle any number of smaller operations. Only now are the services beginning to understand why such a cold war way of thinking will not do.

The Army, for example, now has a way of assessing the impact of smaller conflicts that begins to explain the stresses. For each unit deployed in an ongoing operation, the Army says, four units are needed in the force. One unit is deployed. Another unit is preparing for deployment. A third unit is coming off deployment and needs time to restore its readiness. And a fourth unit is depleted because some of its troops were drawn on to fill out the unit that is deployed.

Add to this the fact that only a part of the Army is available for deployments, because a portion is undergoing education and skills training, is in transit, or is in support functions and other positions. According to the General Accounting Office, 63 percent of active duty Army troops are deployable at any given time. So out of the 495,000 total, 312,000 troops are available for operations. At the end of 1996, the Army says, 35,800 troops were deployed in operations, mainly in Bosnia. This does not count the number of troops forward deployed in Korea, by the way, who probably ought to be counted as deployed and not simply as forward based. Multiply 35,800 by 4 and the number of troops affected by deployments is 143,200, which is 46 percent of the deployable force. The other 54 percent of the force, of course, is supposed to be training hard to be ready for two major regional wars.

Mr. Speaker, this is what has me so concerned about the impact of further reductions in Army force levels. At any one time, a large part of the Army is either involved in operations or is directly affected by them. Already the Army has to draw people away from their normal assignments in order to fill out units that are being employed. To me, this is especially straining for Army people, because such assignments are not planned and often are for temporary duty of 179 days, without any offsetting benefits. Moreover, the people left in the unit from which people were taken away have to work twice as hard to accomplish the workload, which of course does not decline. Now the plan is to further reduce the overall number of personnel without reducing the number of divisions. If the reductions are made from division strengths, then some specialties will have even lower manning levels. If the reductions are made from support positions, which is presumably the rationale, then the opportunity for Army personnel to serve in slots that are somewhat less subject to uncertainty will decline.

I do not believe that the Defense Department has an accurate level of understanding of the strains that these further reductions will put on the force. I fear that such reductions will break the force. And, this will be a national tragedy.

So how can we resolve these problems? Each of the services has been searching for ways to manage resources to meet the needs, but I am not sure how successful the solutions have been or, if successful from the present, how successful they will remain in the future.

One solution has been to use volunteer reservists to fill out deployed units. The key issue here is when we will reach the limit of reserve availability. Reservists willing and able to volunteer have likely come forward already for one duty tour, and enough may not be available in the future. Involuntary mobilization of reservists would soon cause many of them to quit. In addition, mobilization of reservists is expensive. Reservists receive full active duty pay and benefits when they are on active duty. Because Congress insists on offsetting supplemental funding for military operations with rescissions, such costs have to be absorbed within the overall defense budget.

Another potential solution may be to reduce nondivision support troop levels in order to fill out division slots. But too often we lose sight of the fact that support personnel carry out assignments that are critical to mission effectiveness.

☐ 1230

Intelligence, for example, is considered a support function but operations cannot proceed without adequate, timely, usable intelligence. Nor can operations proceed without supplies or medical care or any other basic services provided through support activities.

I intend to look very critically at the Quadrennial Defense Review to see how attentive the Defense Department has been to the issue of personnel and operating tempos. I believe there is a vast underestimation of the strain that ongoing smaller scale operations put on the force, that means of measuring the strain are inadequate, and that further force reductions may severely aggravate the problems.

The second reason people cite for leaving the force is concern about their families. The U.S. military today is an All-Volunteer Force. Because of this, it is very different from the draft armies of the past. A larger and larger share of the force is composed of people who choose the military as a career, which is a positive trend, because modern, sophisticated weapons and ways of fighting require well-trained, professional people. The professional U.S. military force is the envy of the rest of the world. It sets the standard to which other nations aspire.

As a result of this evolution, the force is, on the whole, older than in the past and, most often, married. Today 64 percent of active duty Army personnel are married and, except for the Marine Corps, the proportion is similar in the other services. The modern American military cannot maintain its high quality, therefore, without adequately taking care of military families. The common phrase now is, ''We enlist soldiers, we reenlist families.''

Early on in the days of the All-Volunteer Force, we did not do a good job of taking care of families. Military pay levels eroded after the All-Volunteer Force was instituted in 1973. Military housing and other military facilities, following the war in Vietnam, were in awful condition. Social problems that plagued the rest of society, including drug use and racial tensions, also affected the military.

Since the late 1970's, attention to the needs of military families has improved dramatically. Pay raises in 1979 and 1980 and much more attention to family needs in the years since then have had tremendously beneficial effects. The military has led the way in responding to social problems; I say this fully aware of some continued shortcomings. The results have been seen in the quality of people recruited into the Armed Forces and the ability to retain good people with the necessary skills.

I am concerned, however, that the strains on military families are growing and that we are not doing as good a job as we should in protecting families. To be sure, many of the strains on military families are inherent in the nature of military life. Military personnel are necessarily away from home for extended periods of time. Military families move frequently, which makes it difficult for spouses to build careers, and which itself puts a strain on marriages.

These factors make it all the more important that we devote special care and attention to the condition of military families. The most important correction needed is to limit personnel and operating tempos so that military personnel are not away from their families for longer times than necessary.

It is especially important that temporary duty assignments away from home be kept within limits. We also need to ensure that military pay keeps up with pay in the civilian sector. I am concerned that pay levels have eroded over time because of the way we calculate pay raises.

In addition, we need to be careful to preserve some of the benefits which military families rely on. I am disturbed by proposals to eliminate military commissaries and exchanges. Because of the demands of jobs in the military, I believe it is critically important to assist military families in having access to quality child care. Quality health care for military families must be protected. I think it was a mistake to allow impact aid for schools with military bases to decline as it has. Military families care deeply about education for their children, and we need to ensure that the highest quality education is available wherever they are based.

One of the most important initiatives the Defense Department has under taken recently is the effort to improve military housing. While much military housing is very good, much of it is not. I have seen military housing with broken appliances, cracked walls, warped floors, peeling tile, inadequate heat, stopped up drains, and with very poor responsiveness from maintenance staffs. We have to change this and we have to do it as quickly and efficiently as possible.

I fear that the QDR will suffer from a major gap if it does not address the quality of life of military families.

A third reason people cite for leaving the force is uncertainty about the future. Many military people have been willing to tolerate the stresses that have been placed on the force in recent years because they believe things will get better in the future. If things do not soon get better, however, I am afraid that the best people will throw in the towel and get out of the military.

As I noted in this speech on defense budgets that I made a week ago, we have already gone through a defense drawdown that has reduced active duty force levels by about a third. This drawdown has imposed an immense burden on military personnel. It has meant that people have had to move to new jobs much more frequently than before because of the need to replace the large number of people who were leaving. It has imposed this strain on the military education and training system, and often people have started new jobs without complete training. It has made the military personnel system rather brutally competitive, the pressure to force people out means that any single mistake will cost a good soldier his or her career.

This has directly affected people's ability to meet their career goals. Officers cannot count on receiving the education they need to advance. The amount of time that officers spend in command assignments, where they really can learn their trade, has declined significantly. Officers used to have 2 years of previous command experience at lower levels before they rose to be battalion commanders. Now they have a year or a year and a half. As a result, we are not adequately seasoning our officers, we are sometimes setting them up for failure, and we are not offering people the command experience for which they joined the force.

All of these changes in the force, together with the high operating tempo, have created a great deal of uncertainty about the future. As a result, unless we stabilize the force, unless we pay attention to training and education, unless we allow good people to progress through the ranks in a predictable, fair way, we will discourage the best people from remaining in the force.

Already we see signs of good people beginning to leave. It would be wrong to attribute the exodus to external factors. Pilots are leaving in large numbers, many say, because the airlines are hiring again. I will acknowledge that may be a factor but not the main one. The best people in the military services will always be confident of opportunities in the civilian sector. The people we want most to keep in the force are precisely the people who can always find lucrative careers on the outside. The issue therefore is not what lures people out but what drives them to leave.

Good people do not sign up for the military as a career because they expect to make a lot of money. They need enough to provide security for their families but they are not going to be lured away by simply higher salaries. If good people are leaving, it is because military service no longer offers them the rewards they expected or because the burdens of service have become too great. If we continue to cut budgets, to reduce force levels, to require people to do more with less, we will drive away the best and the brightest.

Mr. Speaker, these are the problems that I believe may in time lead too many good people to leave the force: High operating tempos, eroding support for families, and uncertainty about the future. There are other people issues that the Quadrennial Defense Review should also be expected to address. One is the very broad issue of civil-military relations. While there are many aspects to the issue, I am concerned especially about a potentially growing gap in culture between those who serve in the military and civilian society.

We ask a great deal of people in the military. Sometimes, I think, we may expect too much. When we see failures in the military such as evidence of sexual harassment at Aberdeen or in the Tailhook episode, the cultural gap may grow wider unless parties on all sides are careful in their judgments. When issues such as these arise, some within the military react by criticizing civilian society for imposing too much on the military, while some outside conclude that military culture itself is flawed. Both are wrong. Yes, I think there are failures within the military, but I also believe that the military can be counted on to identify and correct its failures. No, I do not think that the military can be exempted from advancing social norms, including requirements for sexual and racial equality, nor do I think that the military is identical to civilian society. Within the Congress, we have a special responsibility to take care of the military personnel from whom we ask so much. We are responsible under our Constitution to make rules for the Government and regulation of the land and naval forces. It is incumbent upon us therefore not to allow the gap between military and civil society to grow into a gulf.

Mr. Speaker, over the past 2 weeks I have delivered three speeches on the future of the U.S. military. In each of these statements, I have called attention to the fact that Congress has often failed in its responsibility to provide for the common defense.

I have said that I fear we are again embarked on a course which will leave our forces ill-prepared for challenges to come. More than that, I have argued that failure to maintain military strength will encourage the evolution of new international threats in the future that otherwise would not arise to challenge our security.

This is a strong message. It is a sincere message. It is one that, I expect, some of my colleagues will find difficult to accept. I have tried to state it carefully and to explain my reasoning and to use good facts and figures to support my conclusions. Sometimes, however, an argument such as this needs something stronger. I am reminded in this regard of a passage in Gen. Douglas MacArthur's autobiography entitled ''Reminiscences,'' in which MacArthur discussed a meeting he had with President Roosevelt in the late 1930's. At the time, MacArthur was Army Chief of Staff, and he was meeting with the President, along with the Secretary of War, to make an appeal for more defense spending.

Secretary Dern, wrote MacArthur, quietly explained the deteriorating international situation and appealed to the President not to economize on the military. Roosevelt, however, was unmoved and reacted to Dern with biting sarcasm. Then MacArthur joined the argument, which became more and more heated. Here is how MacArthur describes what followed:

> In my emotional exhaustion, I spoke recklessly and said something to the general effect that when we lost the next war, and an American boy, lying in the mud with an enemy bayonet through his belly and an enemy foot on his dying throat, spat out his last curse, I wanted the name not to be MacArthur but Roosevelt. The President grew livid. You must not talk that way to the President, he roared. He was, of course, right, and I knew it almost before the words had left my mouth. I said I was sorry and apologized. But I felt my Army career was at an end. I told him he had my resignation as Chief of Staff. As I reached the door his voice came with that cool detachment which so reflected his extraordinary self-control' ''Don't be foolish, Douglas; you and the budget must get together on this.'' Neither the President nor I ever spoke of the meeting, but from that time on he was on our side.

Mr. Speaker, I hope that this Congress will not require an appeal like MacArthur's to remember the lessons of the past, that the price of unpreparedness is paid in war. The price of peace is much less.

Let us, therefore, treasure those Americans who wear the uniform of our country. Let us appreciate them, encourage them, and care for them. For after all, it is they who bear the burdens of defending that precious American virtue: freedom.

MONETARY POLICY OF THE UNITED STATES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.

Mr. FRANK of Massachusetts. I am encouraged, Mr. Speaker, by articles that appeared in the financial sections of the Washington Post and the New York Times over the past few days and, in particular, by a speech given by Chairman Alan Greenspan to see that we are now having a genuine debate, thoughtful, on the merits, about the monetary policy of the United States.

Chairman Greenspan, to his credit, in a speech he gave on May 8, last Thursday to the business school at NYU, acknowledged that the recent decision by the Federal Open Market Committee to raise interest rates by a quarter percent had generated what he called more than the usual share of attention and criticism.

□ 1245

And he went on to say, I believe the critics deserve a response. I mean quite sincerely to welcome this, because what Chairman Greenspan then proceeded to give was a response, reasoned, on the merits, imputing no ill motives to anyone. I would hope we could continue this debate and I would hope we could continue it in the way in which I think it has been carried on.

This is a serious policy disagreement about very important issues. I regard Alan Greenspan as one of the great public servants of our time, a man who has devoted himself to the difficult, challenging and, from his standpoint, not terribly financially rewarding position of Chairman of the Federal Reserve, as he has performed in public positions before.

I disagree with much of what he is doing, but I recognize his motivation as a genuine desire to do best for the economy. And I honor him for his willingness to conduct the debate. Indeed, I wish some of Mr. Greenspan's defenders shared Mr. Greenspan's commitment to a public debate.

One thing I must say I regret, Mr. Speaker, is that we are having this discussion in a somewhat artificial fashion. I and others take the floor of Congress to voice our criticisms of what the Federal Reserve has done. The Democratic leader, the gentleman from Missouri, convened a press conference a few weeks ago in which several Members of this body and the other body spoke out on our views. Letters have gone back and forth.

The one thing we have not had is a forum in which Chairman Greenspan and other members of the Federal Reserve System can speak out, be challenged and questioned and, in some cases, affirmed by Members of Congress; a forum in which people in the organized labor community, the AFL-CIO, and the business community, the Chamber of Commerce and the National Association of Manufacturers, all three of those organizations have differed with Chairman Greenspan, a forum in which they could voice their criticisms or their agreement; others could do that.

This is a situation which cries out for a hearing by the Congress. Unfortunately, the chairman of the House Committee on Banking and Financial Services has told us essentially that he does not share the view that the current debate over whether or not the Federal Reserve ought to continue trying to slow down the economy is a suitable one for the Congress to engage in at this time.

A few weeks ago, joined by the gentleman from New York [Mr. LAFALCE], I sent a letter which was signed by all but one of the Democratic and Independent members of the Committee on Banking and Financial Services, and the one who did not sign at the time has since indicated his agreement with us. So the 26 combined Democratic and Independent members of the Committee on Banking and Financial Services have asked the chairman to have a hearing on this subject.

The Committee on Banking and Financial Services, under the rules of the House, has jurisdiction over the Federal Reserve. We have not proposed legislation at this point. We asked for the kind of debate we have been trying to have, which Chairman Greenspan, to his credit, participated in last May, which, also to his credit, Laurance Meyer, one of the members of the Board of Governors of the Fed engaged in on April 24.

So rather than them making speeches and us then answering the speeches, nowhere near each other, we asked this be done in a forum, a congressional hearing. The chairman of the committee wrote back and said that he thought this would be tampering with the independence of the Federal Reserve System and second-guessing them.

He is wrong, Mr. Speaker. He is, I understand, thinking that he is protecting the Fed, but I think we ought to be clear. It seems to me he is protecting people who need not that sort of protection.

Alan Greenspan and Laurance Meyer and the other members of the Federal Reserve System are not hypertense, frail, intellectually challenged individuals who are unable to defend themselves in a public forum. Indeed, as Mr. Greenspan and Mr. Meyer pointed out, their viewpoint is served well by a chance to argue.

The worst situation is the one we have had in the past, in which the Federal Reserve issues pronouncements and the rest of us are simply supposed to meekly acquiesce to them.

Indeed, the newspapers bear some of the responsibility here. I was pleased in the past couple of months to see the newspapers, particularly in the financial pages, breaking out of what seemed to me to be an inappropriate kind of situation in which genuine debate about monetary policy was somehow discouraged.

Members of Congress are encouraged to debate war and peace and unemployment and environmental protection and civil liberties, but when it comes to discussing what is the appropriate trade-off between fear of inflation and desire to reduce unemployment, somehow that was not considered fit for debate. To voice one's disagreement with decisions of the Federal Reserve, that was considered Fed bashing.

Indeed, the President of the United States is criticized, these days all Presidents are criticized by the press for almost anything, but the Washington Post criticized President Clinton, it seemed to me, last week because he gave a speech in the rain. And the Washington Post seemed to think there was something unseemly about giving a speech in the rain in a rain forest.

But there was one exception. Presidents who in the past, or members of their administration, who have dared to express disagreement with the Federal Reserve Board have been criticized by the press, ironically, for speaking out on an issue. This is the one issue where Presidents are supposed to not say anything. It is the issue where the press attacks them if they do not duck, and I think that is wrong. I think we have seen clear evidence that that was wrong.

By the way, 10 years ago the Federal Reserve used to have a meeting of the Federal Open Market Committee, decide to raise interest rates and then not tell anybody officially for some time. The markets and everybody else were left to guess for weeks whether that happened. Minutes were never published.

The former chairman of the House Committee on Banking and Financial Services, the gentleman from Texas [Mr. GONZALEZ], led a crusade for years against those practices. He said, no, they were being unduly secretive.

The gentleman from Texas was told by the guardians of the Federal Reserve, the people who would protect the Federal Reserve from general democratic debate, that, ''Oh, no, you must not say that, you must not do that, you must not interfere with this secrecy. You are breaching the wall and, oh, terrible things will happen.''

Well, in tribute to the persistence of the gentleman from Texas, and also I believe to the intellectual force of his arguments that fundamental economic decisions in a democracy ought not to be so secretly made and so protected from discussion, the Federal Reserve relented. We now get announcements on the same day of their decision, and we get minutes published with some time lag, and none of the negative effects predicted by the critics of those moves have taken effect.

We can go back, as staff of the minority on the House Committee on Banking and Financial Services has done, and compile the list of comments people made at the time about how disruptive it would be to have this publicity. They were all wrong. The publicity has been good. It has been useful and it has been healthy.

So I want to return to the question of the chairman of the Committee on Banking and Financial Services and urge him to reconsider; 26 of the 56 members of the Committee on Banking and Financial Services have asked him now for a hearing. There are constraints against members of one party trying to push a chairman into doing something of their own party.

I have spoken to several Republican Members who, I believe, want there to be hearings. A couple of them, I hope, will succeed in prodding the chairman into it. One or two were afraid to be seen as unduly pushing. We should have had that hearing a couple of weeks ago.

There has been an interesting debate. There have been speeches on April 24 by Mr. Meyer, and Mr. Greenspan on May 8; a press conference that we have had here. There is interesting and genuine intellectual disagreement, and factual questions, and questions of what the statute ought to be and how to interpret it. They are very important. The single most important economic decisions being made this year-to-date have been made by the Federal Reserve.

Maybe there will be a budget deal of great proportions and that may become a single more important factor, but the Federal Reserve is making very important economic decisions and they are going undebated in Congress in the kind of structured way that ought to be the crowning glory of a democracy in which there is give and take and back and forth.

People could be watching on C–SPAN the members of the Federal Reserve and Members of Congress who agree and disagree debate the question of whether or not there is a fixed rate of unemployment below which we get inflation; whether or not there have been genuine productivity increases in the economy sufficient so that we can now get more employment at a lower inflation rate. All of those issues need to be talked about. Whether or not, if we are not months and months ahead of the slightest outbreak of inflation, we will somehow lose control of the situation.

All of those should be debated, and the chairman or the Committee on Banking and Financial Services mistakenly says no, that is second-guessing the Fed and tampering with its independence. He did in his letter to us acknowledge that we could have a hearing in July. He pointed out the statute requires that. That was no concession on his part.

Well, the Federal Open Market Committee will meet next week. We do not know what they are going to do. Fortunately, thanks to the gentleman from Texas, who worked so hard on this, we will know the day they do it what they did, but we will not have had any structured discussion about the pros and cons and what the elected officials think and what the public thinks before that.

And then there is going to be another meeting in July and, according to the chairman's timetable, there will be two meetings of the Federal Open Market Committee before we again deal with it. But what if they raise again next week? Do we still sit and not debate this in Congress? What if they do not? Would it not be helpful for them to have a forum to say, look, here is why we think things are looking better?

So I welcome the fact we are now having debate. And I started to say before I am glad the newspapers have joined in. I, myself, have been pleased to have had a chance to talk to the financial pages of The Washington Post and the Boston Globe on this subject, while others who have disagreed with me were quoted.

The New York Times, I must say, Mr. Speaker, has been a little laggard here. We had the press conference, which I thought was somewhat interesting, with the Democratic leader and former Democratic Presidential candidate, the Senator from Iowa, and some others, very thoughtful spokesmen on economic issues, the senior Senator from North Dakota, the gentleman from New York [Mr. HINCHEY], myself, and the junior Senator from Rhode Island, and the New York Times did not appear to quote a word of any of our criticisms of the decision to raise the rates until the chairman decided he wanted to respond.

It was interesting. We will find reference to our criticisms of the Federal Reserve's decision to raise rates in the New York Times on Friday and Saturday. It was never independently reported, as nearly as I can see, but when

Mr. Greenspan decided to respond, then I guess it would have been a little odd to have reported his response to our criticism without at least acknowledging the fact we had made the criticism. But I think the New York Times' attitude there bespeaks this old sense that the Fed and monetary policy are things of great delicacy. The roughness of democratic debate somehow would be fatal to them.

Mr. Greenspan, to his credit, understands that is nonsense, and I hope that the New York Times business pages, having reported the debate now that Mr. Greenspan appears to have given them implicitly the OK to do it, will continue to report the debate even when Mr. Greenspan is not ready for their pronouncements.

I also note it was interesting that once again the defenders came into play. In Saturday's New York Times there is an article, not of a news sort, of an analysis sort, which says that indeed Mr. Greenspan has been far more supportive of jobs and far less willing to restrict growth than some people thought. And there was even a quote from, I think it was Mr. Blinder, a former vice chair of the Fed, in which he said Mr. Greenspan has been more supportive of growth even than he has seemed to be and that his words have indicated.

It reminded me a little bit of the great comment by Mark Twain that the music of Wagner is better than it sounds. Apparently Mr. Greenspan is more progrowth than we can tell from watching him. That is encouraging. But once again that is the kind of issue that we should be debating.

Now, Mr. Speaker, I want to turn to that debate. I wish I did not have to spend all this time debating whether we should have a debate, but again I have to say to some extent the newspapers have been reluctant. It seemed to me the New York Times was reluctant to allow this debate until Mr. Greenspan signaled it could go forward. It was almost as if reporting criticism of him in his absence was, I do not know, sacrilegious. And it is certainly the case that the chairman of the Committee on Banking and Financial Services continues to be resistant to allowing this discussion to go forward.

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Mr. Greenspan, in his speech on May 8, says once again that he acknowledges that there was no sign of inflation. What is interesting is what he says and what he implicitly refutes. The most striking thing to me about this is the difference between the April 24 speech of Mr. Meyer and the May 8 speech of Mr. Greenspan.

For example, Mr. Meyer on April 24 explicitly reaffirms his belief in the existence of the concept known as the NAIRU, the nonaccelerating inflation rate of unemployment. That is a concept which says that there is a number in the unemployment figure which we can go below only if we are prepared to see inflation. If we get unemployment too low, this says, inflation inevitably results. Mr. Meyer is one of the members of the Board of Governors, one of the seven.

Mr. Greenspan told the Committee on Banking and Financial Services when we were last able to talk to him, because it was a hearing that had to be held statutorily, the chairman could not prevent it from happening; Mr. Greenspan said that he did not believe in the NAIRU, he did not believe in that concept, the notion that there was a fairly clear number fixed somewhere. Maybe not a clear but a fixed number which, if you went below it, would cause inflation. Frankly, many of us were pleased to hear him say that because we had thought that the Federal Reserve not only believed in such a concept but for many years, and this is very relevant as we analyze what is happening here, for many years it seemed clear that the Federal Reserve thought 6 percent was the number. It seemed clear that the Federal Reserve, certainly a lot of economists who were supporters of the Fed's approach wrote that 6 percent was the number, and that if we got unemployment down below 6 percent that we would be having serious problems. That, of course, means millions and millions of Americans out of work. I believe 1 percent is 1,360,000. So we are talking about 7 or 8 million people out of work, who are trying to find work, as defined, not counting people who have gotten discouraged and are not even trying.

Then the unemployment rate began to drop, and it dropped to 5.5 percent. And no inflation appeared. This is important. We are not talking about whether or not once we get below the number, we have been lucky not to see any inflation temporarily. The unemployment rate has clearly been significantly below what mainstream Federal Reserve opinion thought was the inflation accelerator for some time and it has not happened.

Finally, it went below 5.5. It went to 5.2. Then it went to 4.9. At 5.2 the Fed jumped in. It did seem clear that that 0.3 percent, at least for Mr. Meyer, was kind of the trigger point. Understand, 0.3 percent of unemployment, and Mr. Meyer in his April 24 speech said that while he would rather not see more unemployment, he did not consider it a bad result if the Fed made the mistake of being tight when it need not be as opposed to the mistake of not being tight when it should have been. He said, an increase in the modest unemployment rate of 0.3 percent, is what I am imputing is what he means, that that was not a bad result although it was not his preferred result. He said many people, implicitly people at the Fed, thought that was a good thing. That is 400,000 people out of work, 418,000 people out of work. That is not a bad thing, that is a terrible thing. That is devastation for perhaps 1 million families. We simply cannot allow that degree of casualness.

Mr. Greenspan tries to repair the damage. Mr. Greenspan implicitly repudiates, it seems to me, much of what Mr. Meyer said. Mr. Greenspan said, ''No, no, no, we are not indifferent to unemployment. I wanted to raise interest rates because I think that is the best way to prevent unemployment.''

I think once again, Mr. Speaker, we have seen why we need to have hearings. Is there or is there not a belief in the concept of the nonaccelerating inflation rate of unemployment? Mr. Greenspan says no; Mr. Meyer says yes. That is perfectly legitimate for members of a board to disagree. What is not legitimate is for the Congress not to be able to have a public debate about this.

But then let me go back to Mr. Greenspan. He does have one strawman in here, Mr. Speaker, and I think in general he does a very fair job of debating this, as I said, accepting the bona fides of the opposition as we accept his; but he says at one point, while he acknowledges that there have been structural changes in the economy which allow us to have more employment, less unemployment, without inflation, he does say, however, ''Our production system and the notion of capacity are far more flexible than they were 10 or 20 years ago.'' That is his concession, or his acknowledgment. I should not say concession; that is his acknowledgment that we can be more productive and therefore have less unemployment without inflation.

But he then goes on to say, ''Nonetheless, any inference that our productive capacity is essentially unlimited is clearly unwarranted.'' Mr. Speaker, that inference is not only unwarranted, it is uninferred. That is an unworthy strawman. No one I know of, and I have been very critical of the decision to raise interest rates and of the Fed's general orientation, and I have worked with a lot of the others who have been critical, no one has come close to suggesting that our productive capacity is unlimited, or even essentially unlimited.

We have said that the evidence is clear that the Fed has been unduly pessimistic, that there are significant structural changes that allow us to do better than we have been doing, and we believe on that basis that the decision to raise by 0.25 percent was a mistake.

Mr. Greenspan says here, more carefully than Mr. Meyer, ''Well, maybe it was a mistake, but if it was, it was a pretty small mistake and it will not have any serious negative consequences.'' That I agree with, if it is the only mistake. But that is part of the question. Have we here confronted the situation in which we have got one 0.25 percent increase, or is this the first of several? And we will be having a meeting again next week and we will have a meeting again in 6 weeks. The problem is that if you read Mr. Meyer's approach, if you believe in a nonaccelerating inflation rate of unemployment, then when the unemployment rate dropped to 4.9 percent, that would argue strongly for a further increase. If you read Mr. Greenspan's approach, there is not the same kind of argument as many in the market believe.

One thing that is relevant here is that in one of the articles, I guess Saturday's New York Times, defending Mr. Greenspan against the accusation that he is a little indifferent to unemployment, one of the people quoted in his defense said people do not realize that he stood up to great pressures within the Federal Reserve system to raise interest rates more.

That is a fair point. Mr. Greenspan is not the entire Federal Reserve. Chairmen are very dominant there, but there are other Governors. There are the presidents of the regional banks, five of whom have a vote, though they are not in any way public officials, but they have a vote on this very important economic question.

That seems to me also a fit subject for a hearing. What is the situation there? Mr. Meyer believes in a NAIRU. Mr. Greenspan does not. The believers in a NAIRU are probably going to be more hawkish, because to them good news is bad news. If you believe in that concept, that there is a nonaccelerating inflation rate of unemployment, then every bit of progress we make in reducing unemployment is bad news. I think we ought to know whether it is that which is motivating people or not.

Take Mr. Greenspan's defenders at their word. They say Mr. Greenspan is himself flexible on this and understands the importance of jobs, but he is under pressure from his colleagues. How much pressure is he under from colleagues who believe in a concept known as the NAIRU whereby progress in getting unemployment down to 4.9 percent argues strongly for an increase even, and this is important, even in the total absence of inflation, not just the absence of inflation currently but in the absence of indicators of inflation, in the absence of increases in the employment cost increase, in commodity prices. That is the point.

Read Mr. Meyer's speech and read Mr. Greenspan's speech. In neither speech do they argue, either one of them, that there were any significant indicators of inflation about to come. Mr. Greenspan does talk about early indicators of tightening in the labor market. But we still have lagging wages.

Indeed, to show how noninflationary things are and to get back to the point of checking up on what people said, just as we had people at the Fed say if you publish the minutes, if you simultaneously announce what the FOMC did, it will be destructive to economic stability. We had an argument about the minimum wage in this Chamber right here in the previous Congress, and many people, the majority leader and others, said if you raise the minimum wage, it will be disastrous for the employment figures of low wage people, and some people said it will be inflationary. Raise the minimum wage and you will have an inflationary effect because it will ripple up through the wage base and it will cause unemployment.

We did raise the minimum wage. What has happened since we raised the minimum wage? Inflation has remained at an extraordinarily low level and unemployment has dropped significantly. According to the figures that I have seen, the one area where there was some increase in wages, other than at the very top where things have been doing pretty well, one area where there was some increase in wages was precisely among the beneficiaries of the minimum wage increase. Raising the minimum wage appears to have worked very, very well. It brought about some increases in income for working people at the low end of the spectrum and it did it without causing any unemployment and without causing any inflation. In fact, simultaneous with the implementation of the minimum wage, we have seen an unprecedented degree of low unemployment without any inflationary impact. The increase in the minimum wage did not cause that, but that was not why we raised the minimum wage. We did not raise the minimum wage to drop unemployment or to hold down inflation. We raised the minimum wage to provide some social justice to hardworking people. The argument was that by doing that, we would be increasing inflation and increasing unemployment, and those who made that argument were wrong. It is now demonstrable, that having raised the minimum wage, we were able to increase social justice, provide money to working people who badly needed it to support their families, and they still cannot support them at a decent level, but they come closer, and we did it without any of those negative consequences.

All of these are relevant. They are relevant because I must say it is clear to anyone who has followed the Federal Reserve that the arguments of the people who are dominant at the Federal Reserve were such that one would have expected the increase in the minimum wage to have had negative effects. Tell people 2 years ago at the Federal Reserve that we were going to raise the minimum wage and get unemployment down to 4.9 percent and have the high growth that we have had, relatively high growth, and they would have guaranteed that there would have been inflation, and they were wrong.

We are all wrong from time to time when we deal with these kinds of uncertainties. I do not cite their being wrong to disqualify them from the debate. I do say this, though: When you have been wrong on a central question, when you have been exceedingly excessively pessimistic about the ability of the economy to grow without inflation and if unemployment had dropped without inflation, then you ought to be more reluctant than they are to repeat their errors, because that is what we are now having. We are having the Federal Reserve raise interest rates and slow down growth based on the same kind of analysis which has been proven wrong in the past.

I do believe, even in Mr. Greenspan's speech, and it is more thoughtful and balanced, I believe, than Mr. Meyer's, there is still an underestimate of the pain of higher unemployment. It is especially the case as we deal with the welfare bill. The welfare bill, with regard to people on AFDC, and in one little noticed part, little noticed as far as the public is concerned, the part that restricts food stamps to single individuals between 18 and 55 to 3 months out of every 3 years, what this does is greatly increase the penalty for being unemployed in this society. Under that welfare bill, people who are not working will find their lives unbearable. There simply will be no honest way they can sustain themselves.

We know that the people on food stamps and the people on AFDC on the whole would be the least likely to get hired. An economy which is not rapidly growing and creating a lot of jobs is not an economy in which the people whose benefits were severely restricted by last year's welfare bill will find work. When the economy drops to 4.9 percent, it is realistic to think about putting these people to work. If it goes back up to 5.5, which I must say I am convinced Mr. Meyer thinks is a NAIRU and which as I read the New York Times apparently a lot of other people at the Federal Reserve thinks is a NAIRU, these are people who think an unemployment rate of 5.2 is a temporary aberration. Again, remember, they did raise the interest rates including Mr. Greenspan. If they thought 5.2 unemployment were sustainable without causing inflation, they would not have raised interest rates. They clearly believe we have got unemployment, at least temporarily, lower than it can be. What they are then doing is saying, "OK, we'll have to go back up." That will reverse our chances of reducing welfare.

The New York Times on Sunday, I think it was, or Saturday, talked about the progress in reducing the welfare rolls. They quoted a study by the President's Council of Economic Advisers, Janet Yellen, herself a former member of the Fed, and the largest single factor contributing to the reduction in welfare rolls was economic growth. Forty percent.

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Mr. Speaker, if in fact people at the Fed are right, those who think that Mr. Greenspan has not been hawkish enough, and I would like to have a hearing to know exactly who is who and what is what. You know, they are going to be appointing two new members, the President has appointed two new members, and there will be confirmation hearings, I hope, in the other body.

Interestingly, the last time the other body had confirmation proceedings, when the Senator from Iowa [Mr. HARKIN] tried to have hearings on this subject, have a debate on the floor of the Senate, he was told, as we have been told here in the House, that that was not appropriate.

Well, we have learned from the New York Times' defense of Mr. Greenspan on Saturday there is a disagreement within the Fed. There is pressure in the Fed on Mr. Greenspan to be tougher. There is Mr. Meyer, who believes in a nonaccelerating inflation rate of employment. Should that not be debated? Should we not know what the two new members think about this, on this critical subject?

Mr. Speaker, we still have a very fundamental issue before us. Mr. Greenspan's speech is a justification of a decision to raise interest rates in the total absence of any signs of inflation because the danger of not acting, he says, are too great, and it really comes down to basically we cannot stand this much prosperity, things are too good to be true, although he does acknowledge that there may be reasons for it. A 0.25 percent increase is one thing. A series is another. Whether or not there is a nonaccelerating rate of inflation, a nonaccelerating inflation rate of unemployment, whether or not there have been permanent productivity gains, whether or not the overestimate that some see in the Consumer Price Index in fact means that there is a similar over estimate of inflation. Inflation may be even less if you believe what they say than it is in the economy. What is the balance within the Federal Reserve on this?

And one other question because the implicit justification for raising rates in the absence of any inflation is a little bit of inflation will absolutely spiral out of control. It is the chain reaction theory. We are told that 400,000 more people unemployed is a small price to pay because the alternative would be not choking off inflation way before it appears because once it appears it is too late.

Well, that also ought to be debated. That also ought to be talked about. Once again that is a throwback to an earlier time. All those factors which have retarded inflation logically retard the growth of inflation as well, and those are again issues that this House ought to be debating. What we ought to have is in fact a hearing, and maybe we even ought to bring out a resolution about some of these subjects because the important questions that effect this economy are being decided by the Fed, and they are being decided because of the refusal of the leadership of this House to schedule hearings on it in that kind of very, very restricted fashion.

Mr. Speaker, obviously the chairman of the Committee on Banking and Financial Services has succeeded in holding off a hearing before the next meeting of the Federal Open Market Committee, which will be a week from tomorrow. I urge Members to read Mr. Meyer's speech, read Mr. Greenspan's speech. There is a serious debate going on in this country about what we can and cannot do.

One thing we should understand, if the pessimists at the Federal Reserve are right, what that means is we have grown these past months, maybe years, more quickly than we can sustain. So those who think that we have problems yet to be seriously resolved, those who want to make more progress in absorbing welfare recipients and people on food stamps, understand the implications of what the Federal Reserve is saying, not yet, too soon. We must do this more slowly. There are other implications. We will be back debating trade questions.

We now, I think, have a consensus. Some people try to deny it when we debated NAFTA and GATT. Trade does help some people and hurt others. Even those who believe that overall trade helps the economy, as I do, must acknowledge that there will be hardworking on the whole lower income people in this country who will be hurt by trade, people in the garment and textile industry, people, as was recently documented on the Texas-New Mexico border. There was an article about difficulties in El Paso.

A rational way to go forward, as a Washington Post editorial argued a while ago on behalf of fast track for trade, is to go ahead with trade but to use our resources, particularly the increased wealth that we are gaining, to try to deal with those who are getting hurt. Let us do some compensation. One of the things that the New York Times recently talked about with regard to people from El Paso is the difficulty people have in qualifying for trade adjustment assistance.

Why this difficulty? Why do we make people jump through these hoops? We know people are getting hurt. Why not err on the side of helping people who want to work go to work? Well, the Federal Reserve's decision is again central to this. People who lose their job because of trade are much less likely to find new jobs in an economy in which the central bank believes that there is a nonaccelerating inflation rate of unemployment and who believe that the economy has been growing too fast lately and that what we need is fewer jobs. If you do not have a rapid growth economy, if you do not have significant job creation, then you make difficult obviously the problems of the welfare recipients. You also greatly exacerbate the resistance to trade that people deplore because those who face a loss of jobs in a slow growth economy are not going to be easily persuaded to go ahead with that and allow it to happen in the hopes that they will be retrained and be given new jobs. These are all the kinds of questions we need to deal with.

And the final point has to do with the budget deal. We had a budget deal announced 10 days ago. It appears to have been somewhat disannounced since then. And on Thursday, when it was announced, many of us were extremely critical. On Friday, some of the points on which we were most critical were alleviated. I still believe as I have seen that deal, it is a mistake for reasons I will go into at some other time, but the extra growth that produced a couple hundred billion dollars more revenue was helpful. Actually if we have a few more days like we had 10 days ago, I suppose this economy would be in great shape. We appear to have grown more in a few hours on that one Thursday when we found $225 million over a few years than any Nation has ever grown in history. But once again that was a result of economic growth that at least a substantial number of people in the Federal Reserve think was too rapid.

And here's a paradox. We are told that we can have this budget deal fueled by a level of economic growth, which at least some people in the Federal Reserve think is unsustainably high. Now what are we going to do about that? What is the solution here? Do we have a majority at the Federal Reserve prepared to put on the brakes so we cannot generate the revenues which the Congressional Budget Office is now calling for?

If you read Mr. Greenspan's speech of May 8, maybe; if you read Mr. Meyer's speech of April 24, probably; and once again that is an important subject about which we ought to be having a hearing.

So, Mr. Speaker, I appreciate Mr. Greenspan's willingness to debate the issue. I read his defense of this decision to cut off growth, not cut it off, but slow growth down, and I come away grateful for his willingness to engage in the debate, but unpersuaded because at the core, as in Mr. Meyer's speech, he essentially acknowledges that what we had was a fear that something that is not now happening might happen in the future because they really cannot believe that things can go this well.

Well, they have believed that for some time, and they have been going this well, and I am hoping that we can get Mr. Greenspan and his colleagues to be willing to accept a little victory. But while obviously there is room for decent people of good will to differ about this, there ought not to be room for difference about whether or not this is a subject to be debated in Congress.

And I will close as I began, Mr. Speaker, by welcoming Mr. Greenspan's vigorous and thoughtful and respectful entrance into this debate and by regretting the fact that because the Republican leadership of the House does not appear to me to have enough confidence in the democratic processes, that this debate is going on largely outside of our Chambers.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. YOUNG of Florida). The Chair would remind all Members as a matter of comity to refrain from characterizing Senate action.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Speaker, may we characterize Senate inaction?

The SPEAKER pro tempore. The characterization of Senate action or inaction is not proper, as a matter of comity.

INFORMATION ON H.R. 1486, THE FOREIGN POLICY REFORM ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, in what I am advised is a practically unprecedented move, the minority leadership, apparently acting on behalf of minority members of the Committee on International Relations, indicated that they would interpose an objection to the committee majority's request to file a supplemental report on the bill, H.R. 1486, the Foreign Policy Reform Act. The supplemental report would have provided the cost and mandate estimate of the Congressional Budget Office and the "Ramseyer print" of the amendment ordered reported by the International Relations Committee.

For the information of the Members, the CBO report is printed below. The Ramseyer print, which would cost $30,000 or more to print in the RECORD according to an informal estimate from the GPO, will be available for Members to review in the offices of the International Relations Committee.

U.S. CONGRESS
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 12, 1997.

Hon. BENJAMIN A. GILMAN,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1486, the Foreign Policy Reform Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts an Joseph C. Whitehill and Sunita D'Monte.

Sincerely,

JUNE E. O'NEILL.
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE

H.R. 1486—Foreign Policy Reform Act

Summary: H.R. 1486 would consolidate various international affairs agencies, would authorize appropriations for foreign assistance programs, the Department of State, and related agencies, and would authorize the sale of 14 naval vessels.

Assuming appropriation of the authorized amounts, CBO estimates that enacting H.R. 1486 would result in additional discretionary spending of $33 billion over the 1998–2002 period. The legislation would increase direct spending by $11 million in 1998 and by $0.3 billion over the next five years; therefore, pay-as-you-go procedures would apply. The sale of naval vessels would generate an estimated $163 million in offsetting receipts.

The bill contains a provision that would result in costs to state, local, or tribal governments. CBO is unsure whether this provision constitutes an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but mandate costs, if any, would be well below the threshold established in the law ($50 million in 1996, adjusted annually for inflation). H.R. 1486 would impose no new private-sector mandates as defined in UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1486 is shown in the table. For the purpose of this estimate, CBO assumes that all amounts authorized would be appropriated by the start of each fiscal year and that outlays would follow historical spending patterns.

	By fiscal year in millions of dollars					
	1997	1998	1999	2000	2001	2002
DIRECT SPENDING						
Proposed changes, refugee determination:[1]						
Estimated budget authority	0	0	20	60	70	80
Estimated outlays	0	0	20	60	70	80
Other proposed changes:						
Estimated budget authority	0	11	15	15	16	17
Estimated outlays	0	11	15	15	16	17
Total changes in direct spending:						
Estimated budget authority	0	11	35	75	86	97
Estimated outlays	0	11	35	75	86	97
ASSET SALES[2]						
Estimated budget authority	0	−163	0	0	0	0
Estimated outlays	0	−163	0	0	0	0
SPENDING SUBJECT TO APPROPRIATION						
Spending under cuttent law:[3]						
Estimated authorization level[4]	15,740	0	0	0	0	0
Estimated outlays	16,322	7,073	2,974	1,513	702	383
Proposed changes:						
Estimated authorization level	0	16,467	16,099	621	633	646
Estimated outlays	0	9,337	13,547	6,031	2,592	1,601
Spending under the bill:[3]						
Estimated authorization level[4]	15,740	16,467	16,099	621	633	646
Estimated outlays	16,322	16,410	16,521	7,544	3,294	1,984

[1] Spending for Medicaid, Food Stamps, and Supplemental Security Income. Under current law, CBO estimates that spending for these programs will be $150 billion in 1997 and will rise to $208 billion in 2002.

[2] Under recent budget resolutions, proceeds from asset sales are counted in the budget totals for puropses of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

[3] Funding for foreign assistance programs, the Department of State, and related agencies.

[4] The 1997 level is the amount appropriated for that year.

Basis of estimate:

DIRECT SPENDING

This bill would increase direct spending by an estimated $0.3 billion over the next five years.

Refugee determination.—Section 1218 would extend a provision of U.S. immigration law that favors the automatic admission as refugees of certain nationals of the former Soviet Union (chiefly Jews and evangelical Christians), Vietnam, Laos, and Cambodia. Applicants for admission need only assert that they have a fear of persecution and a "credible basis" (not the stricter "well-founded basis" that others must prove) for that fear. (These provisions are commonly known as the Lautenberg criteria.)

These criteria were first enacted in November 1989, and have been renewed several times since then. They currently cover applicants for refugee status who apply through September 30, 1997. Section 1218 would extend that deadline for two years, through September 30, 1999.

Under current law (section 207 of the Immigration and Nationality Act), the annual ceiling on refugee admissions is set by the President after consultation with the Congress. The refugees affected by this bill are accommodated within that ceiling. However, CBO believes that these criteria lead the President and the Congress to set a higher ceiling for refugee admissions than they otherwise would. That is, without these criteria, refugee admissions would be lower. There is no mechanism by which lower admissions of, for example, Soviet Jews and evangelicals would automatically lead to higher admissions of, say, Rwandans or Bosnians.

According to the Department of State, approximately 2,000 people in the former Soviet Union currently apply for admission each month as refugees, and about three-quarters of them are found to meet those criteria. (They are the principal beneficiaries of the provision.) Those figures are significantly smaller than the peak levels of the early 1990s. Because there are lags in scheduling applicants for interviews and then in assembling travel documents, CBO expects that extending the criteria for fiscal years 1998 and 1999 would boost the number of entries in 1999 and 2000. By the end of 1999, an estimated 18,000 more refugees would be in the United States as a result of the extension; by the end of 2000, an estimated 36,000.

According to the annual Report to the Congress of the Office of Refugee Resettlement in the Department of Health and Human Services, about 10 percent of these refugees go on Supplemental Security Income (SSI), 60 percent on Food Stamps, and up to 60 percent on Medicaid. (Also, some go on Aid to Families with Dependent Children, which has now been converted to a block grant at fixed levels of funding; on general assistance, which is state-funded; or on short-term refugee assistance, a federally-funded program that is subject to appropriation.) Last year's welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), curtailed the eligibility of most immigrants for welfare benefits, but spared refugees during their first five years in the United States. Based on these past patterns of welfare participation, CBO estimates that extra outlays in the SSI, Food Stamp, and Medicaid programs would total $20 million in 1999 and would grow to $80 million in 2002.

Appropriation of interest.—The bill contains several sections that authorize the deposit of certain funds into interest-bearing accounts and the spending of subsequent interest earnings without further appropriation. Sections 1205, 1202, and 1204 provide this authority for proceeds from the sale of overseas property, the Foreign Service National Separation Liability Trust Fund and the International Center Reserve Fund, respectively. CBO estimates that these provisions would increase direct spending by $7 million to $10 million a year. Section 1402 authorizes recipients of grants from the National Endowment for Democracy to deposit grant funds in interest-bearing accounts and to use the interest for the same purpose for which the grant was made. Under current law, the grantees refund their interest earnings to the government. CBO estimates that under this provision the Treasury would forgo collections of less than $60,000 a year.

Recovery of health care costs.—Section 1214 would authorize the Secretary of State to recover from insurance companies the reasonable costs of health care services provided by the department and to deposit the funds as offsetting collections. These amounts would be available for spending. The provision would increase mandatory payments for Federal Employee Health Benefits (FEHB) and discretionary appropriations. CBO estimates that the department would collect and spend $12 million in 1998. Collections in 1999 through 2002 were estimated assuming that collections grow at the same rate as inflation in health care costs, rising to $17 million by 2002.

CBO assumes that, after a short lag, insurance companies would recover the amount paid to the State Department plus 15 percent for administrative overhead through higher FEHB premiums. The government pays 72 percent of FEHB premiums; of this, 45 percent is paid through a mandatory government payment for annuitants and 55 percent is paid through discretionary appropriations. Additional mandatory spending would average about $5 million a year, and increases in discretionary spending would average $6 million a year.

Reappropriations.—The bill contains two provisions that would extend the availability of funds by specifying that the funds ''shall'' remain available until expended. Section 1203 would extend the availability of funds deposited into the Capital Investment Fund and section 1216 would extend the availability of fees for commercial services. CBO estimates that reappropriations from both sections would be less than $500,000.

Authority to provide services on a reimbursable basis.—H.R. 1486 contains several provisions that would allow the Department of State to provide various services on a fee-for-service or reimbursable basis. CBO estimates that collections and spending from the provisions would total less than $500,000 per year. Section 1209 allows the department to accept reimbursement for the expenses of pursuing a claim against a foreign government or entity. Section 1213 authorizes the department to provide training services to corporate employees, their families, and Congressional employees on a reimbursable basis and to collect a new fee for the use of the Foreign Affairs Training Center. And finally, section 1215 would authorize the department to collect a new fee for the use of diplomatic reception rooms. All provisions specify that amounts collected would be deposited as offsetting collections and would remain available until expended.

Termination expenses.—Section 704 authorizes the President to deobligate and reobligate development assistance funds for countries whose assistance program is terminated. The reobligation would cover equitable settlements of third parties whose contracts were canceled when the assistance ended. CBO cannot estimate the budgetary effect of this section.

ASSET SALES

Chapter 5 would authorize the Secretary of the Navy to sell 14 naval vessels to certain foreign countries. Based on information from the Navy, CBO estimates the sale would generate $163 million in offsetting receipts in 1998.

Under recent budget resolutions, proceeds from asset sales have been counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

SPENDING SUBJECT TO APPROPRIATIONS

CBO estimates the bill would authorize appropriations of $16.5 billion in 1998, $16.1 billion in 1999, and $0.6 billion per year thereafter for foreign assistance programs, the Department of State, and other related agencies. The estimate includes authorizations that specify both the dollar amounts and fiscal years, and the permanent, indefinite authorization for the appropriation of collections in special funds in the amounts discussed below under governmental receipts. In addition, the bill would authorize indefinite appropriations discussed below.

Department of State rewards program.—Subject to appropriations action, section 1201 would authorize the President to take up to 2 percent of the earnings from the assets of foreign governments that have been blocked under the International Emergency Powers Act. Based on information from the Treasury Department, CBO estimates that 2 percent of the earnings on blocked assets would be $2 million per year. The funds would be available for the Department of State to pay rewards for the prevention of international terrorism, narcotics trafficking, and other crimes. The assets affected are not the property of the U.S. government. Any taking would create a claim against the U.S. Government that would need to be resolved when normal relations between the United States and the countries are restored. The Department of State currently provides rewards totaling approximately $2 million a year, and this estimate assumes that section 1201 would result in an authorization of that amount each year.

Indefinite authorizations for currency fluctuations.—Section 1102(f) authorizes such sums as may be necessary in 1998 and 1999 for international organizations and programs to compensate for adverse fluctuations in exchange rates. Any funds appropriated for this purpose would only be obligated and expended subject to an OMB certification. Section 1107 authorizes such sums as may be necessary in 1998 and 1999 for the Arms Control and Disarmament Agency (ACDA) to compensate for increases in pay, employee benefits, and adverse fluctuations in exchange rates.

Currency fluctuations are extremely difficult to estimate in advance. The spending to meet the foreign currency requirements for the two programs could be higher or lower than the amounts specifically authorized in the bill. Therefore, this estimate includes no costs associated with currency fluctuations.

GOVERNMENTAL RECEIPTS

The bill contains two provisions that would authorize collections of certain passport and consular fees to be deposited into special funds of the Treasury. CBO estimates these provisions would not affect governmental receipts or direct spending. The State Department already has the authority to collect these fees, and the authority to spend them would be subject to appropriation and is included as such in the table above.

Section 1210 would authorize the deposit of passport and consular fees into a special fund of the Treasury. These collections would be available to the Department of State in such amounts as are provided for in advance in appropriations acts. CBO estimates the department would collect $446 million in 1998 and $483 million in 2002.

Similarly, section 1211 would establish a Machine Readable Visa fee account such that collections of the fee, a surcharge for processing certain types of visas, would be deposited into a special fund of the Treasury and would be available to the department in such amounts as are provided for in advance in appropriations acts. CBO estimates that the department would collect $143 million in 1998 and $155 million in 2002.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 establishes pay-as-you-go procedures for legislation affecting direct spending or receipts through fiscal year 1998. CBO estimates that enactment of H.R. 1486 would cause an increase in direct spending of $11 million in 1998.

Estimated impact on State, local, and tribal governments: While H.R. 1486 would, by itself, establish no new enforceable duties on state, local, or tribal governments, increasing the number of refugees admitted to the United States, as required by the bill, would increase the costs associated with state SSI supplementary payments. Approximately ten percent of the additional refugees would be eligible for federal SSI payments. Most states would be required under current law to supplement the federal payments to these individuals. CBO cannot determine whether these additional payments would be considered the direct costs of a mandate for the purposes of UMRA. In any event, CBO estimates that the additional costs to states would not exceed $5 million annually.

States would face other costs as a result of the increases in the number of refugees admitted to the United States, but these costs would result either from state public assistance requirements that are not controlled by the federal government, or from an increase in the number of people eligible for federal entitlement programs. Because the bill would not increase the stringency of conditions for these entitlement programs, the costs associated with these provisions do not constitute mandate costs under the law.

The bill also contains a provision that could encourage foreign governments to pay parking fines they owe to Maryland, Virginia, New York State, New York City, and the District of Columbia. Section 308 of the bill would require that an amount equal to 110 percent of the total unpaid parking fines owed by foreign governments be withheld from the foreign aid for those countries. The funds would become available for obligation once the parking fines are paid.

Estimated impact on the private-sector: H.R. 1486 would impose no new private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Cost: Joseph C. Whitehall and Sunita D'Monte (226–2840); Kathy Ruffing and Dorothy A. Rosenbaum (226–2820); Robin Rudowitz and Jeffrey Lemieux (226–9010); impact on State, Local, and Tribal Governments: Pepper Santalucia (225–3220); impact on the Private Sector: Lesley Frymier (226–2940).

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. YOUNG of Florida) to revise and extend their remarks and include extraneous material:)

Mr. SESSIONS, for 5 minutes, on May 14.

Mr. CANADY of Florida, for 5 minutes, on May 14.

Mr. NEUMANN, for 5 minutes each day, on May 13, 14, and 15.

Mr. GILMAN, for 5 minutes, today.

Mr. MCCOLLUM, for 5 minutes, on May 14.

Mr. SHAYS, for 5 minutes, on May 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FRANK of Massachusetts) and to include extraneous matter:)

Mr. MCHALE.

Mr. WALSH.

(The following Members (at the request of FRANK of Massachusetts) and to include extraneous matter:)

Mr. FORBES.

Mr. FILNER.

Mr. KUCINICH in two instances.

ADJOURNMENT

Mr. FRANK of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 13, 1997, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3261. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Revision of User Fees for 1997 Crop Cotton Classification Services to Growers [CN–97–001] received May 12, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3262. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Dimethomorphy; Pesticide Tolerances for Emergency Exemptions [OPP–300483; FRL–5715–5] (RIN: 2070–AB78) received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3263. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Cymoxanil; Pesticide Tolerance for Emergency Exemptions [OPP–300485; FRL–5716–1] (RIN: 2070–AB78) received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3264. A letter from the Associate Managing Director—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Preemption of Local Zoning Regulation of Satellite Earth Stations [IB Docket No. 95–59] and Implementation of Section 207 of the Telecommunications Act of 1996; Restrictions on Over-the-Air Reception Devices: Television Broadcast Service and Multichannel Multipoint Distribution Service [CS Docket No. 96–83] received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3265. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production of major military equipment with Italy (Transmittal No. DTC–56–97), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3266. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production of major military equipment with Italy (Transmittal No. DTC–34–97), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3267. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to Italy (Transmittal No. DTC–47–97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3268. A letter from the Federal Co-Chairman, Appalachian Regional Commission, transmitting the fiscal year 1996 annual report under the Federal Managers' Financial Integrity Act [FMFIA] of 1982, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

3269. A letter from the Executive Director, Committee For Purchase From People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Additions to the Procurement List (ID–97–010] received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3270. A letter from the Secretary of Education, transmitting a report of activities under the Freedom of Information Act for the calendar year 1996, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

3271. A letter from the Acting Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Technical Amendment for the Black Sea Bass Fishery [Docket No. 960805216–7098–05; I.D. 041097D] (RIN: 0648–AH06) received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3272. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Shallow-Water Species Fisheries by Vessels Using Trawl Gear in the Gulf of Alaska [Docket No. 961126334–7025–02; I.D. 050597A] received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3273. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administrator, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Modify Prior Notice of Landing Requirement [Docket No. 970206022–7102–02; I.D. 012197C] (RIN: 0648–AJ35) received May 12, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3274. A letter from the Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting the Administration's final rule—Increased Fine for Notice Posting Violations [29 CFR Part 1601] received May 12, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3275. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Arbitrage Restrictions on Tax-Exempt Bonds [TS 8718] (RIN: 1545–AS49) received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3276. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Termination of a Partnership under Section 708(b)(1)(B) [TD 8717] (RIN: 1545–AU14) received May 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3277. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Interest Rate to be Used in the Determinations for a ''Modified Guaranteed Contract'' [Notice 97–32] received May 12, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OR COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of the rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on May 8, 1997 the following report was filed on May 9, 1997]

Mr. GILMAN: Committee on International Relations. H.R. 1486. A bill to consolidate international affairs agencies, to reform foreign assistance programs, to authorize appropriations for foreign assistance programs, and for the Department of State and related agencies for fiscal years 1998 and 1999, and for other purposes; with an amendment (Rept. 105–94). Referred to the Committee of the Whole House on the State of the Union.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors wee added to public bills and resolutions as follows:

H.R. 55: Mr. ACKERMAN and Mrs. KELLY.

H.R. 124: Mr. WATTS of Oklahoma and Mr. GRAHAM.

H.R. 306: Mr. PASCRELL, Ms. WOOLSEY, Mr. BISHOP, and Mr. BACHUS.

H.R. 689: Mr. THOMPSON.

H.R. 805: Mr. PITTS.

H.R. 1355: Mr. HOLDEN, Mr. BOYD, and Mr. SAWYER.

H.R. 1461: Mr. THUNE, Mr. RAMSTAD, Mr. GUTKNECHT, Mrs. ROUKEMA, and Mr. LUTHER.

H. Con. Res. 52: Mr. PASTOR, Mr. DIXON, Mr. CLEMENT, Mr. HINCHEY, Ms. SLAUGHTER, and Mr. FARR of California.

H. Con. Res. 73: Mr. MATSUI, Mrs. KELLY, Mr. FROST, Mr. FILNER, Mr. MASCARA, Mr. NADLER, Mr. LAZIO of New York, Mr. SAXTON, Mr. TALENT, Mr. BENTSEN, Ms. BROWN of Florida, Mr. SKAGGS, Mr. MALONEY of Connecticut, Mrs. MEEK of Florida, Mr. MCNULTY, Ms. HARMAN, and Mr. BERMAN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2

OFFERED BY: MR. SMITH OF MICHIGAN

AMENDMENT NO. 54. Page 294, strike line 5 and all that follows through page 297, line 4, and insert the following:

SEC. 622. PET OWNERSHIP BY ELDERLY PERSONS AND PERSONS WITH DISABILITIES.

Section 227 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r–1) is amended to read as follows:

''SEC. 227. PET OWNERSHIP BY ELDERLY PERSONS AND PERSONS WITH DISABILITIES IN FEDERALLY ASSISTED RENTAL HOUSING.

''(a) RIGHT OF OWNERSHIP.—A resident of a dwelling unit in federally assisted rental housing who is an elderly person or a person with disabilities may own common household pets or have common household pets present in the dwelling unit of such resident, subject to the reasonable requirements of the owner of the federally assisted rental housing and providing that the resident maintains the animals responsibly and in compliance with applicable local and State public health, animal control, and anticruelty laws. Such reasonable requirements may include requiring payments of a nominal fee and pet deposit by such residents owning or having pets present, to cover the operating costs to the project relating to the presence of pets and to establish an escrow account for additional such costs not otherwise covered, respectively. Notwithstanding section 225(d) of the Housing Opportunity and Responsibility Act of 1997, a public housing agency may not grant any exemption under such section from payment, in whole or in part, of any fee or deposit required pursuant to the preceding sentence.

''(b) PROHIBITION AGAINST DISCRIMINATION.—No owner of federally assisted rental housing may restrict or discrimination against any elderly person or person with disabilities in connection with admission to, or continued occupancy of, such housing by reason of the ownership of common household pets by, or the presence of such pets in the dwelling unit of, such person.

''(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) FEDERALLY ASSISTED RENTAL HOUSING.—The term 'federally assisted rental housing' means any multifamily rental housing project that is—

''(A) public housing (as such term is defined in section 103 of the Housing Opportunity and Responsibility Act of 1997);

''(B) assisted with project-based assistance pursuant to section 601(f) of the Housing Opportunity and Responsibility Act of 1997 or under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of the Housing Opportunity and Responsibility Act of 1997);

''(C) assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

''(D) assisted under section 202 of the Housing Act of 1959 (as in effect before the enactment of the Cranston-Gonzalez National Affordable Housing Act);

''(E) assisted under title V of the Housing Act of 1949; or

''(F) insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act.

''(2) OWNER.—The term 'owner' means, with respect to federally assisted rental housing, the entity or private person, including a cooperative or public housing agency, that has the legal right to lease or sublease dwelling units in such housing (including a manager of such housing having such right).

''(3) ELDERLY PERSON AND PERSON WITH DISABILITIES.—The terms 'elderly person' and 'persons with disabilities have the meanings given such terms in section 102 of the Housing Opportunity and Responsibility Act of 1997.

''(d) REGULATIONS.—Subsections (a) through (c) of this section shall take effect upon the date of the effectiveness of regulations issued by the Secretary to carry out this section. Such regulations shall be issued no later than the expiration of the 1-year period beginning on the date of the enactment of the Housing Opportunity and Responsibility Act of 1997 and after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).''.